

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Market Dominant Product Prices
Inbound Market Dominant Multi-Service Agreements
with Foreign Postal Operators 1
Hongkong Post – United States Postal Service
Bilateral Agreement (MC2010-35)
Negotiated Service Agreement

Docket No. CP2014-21

ORDER APPROVING MODIFICATION TWO TO EXISTING AGREEMENT

(Issued February 18, 2015)

The negotiated service agreement approved in this proceeding (Agreement) is set to expire March 31, 2015.¹ The Postal Service seeks to extend the Agreement pursuant to a second Modification executed by the Postal Service and Hongkong Post.²

¹ Docket No. R2014-4, Order Approving an Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Hongkong Post), January 29, 2014 (Order No. 1981); Docket No. R2014-4, Order Approving Modification to Existing Agreement, December 12, 2014 (Order No. 2286).

² See Notice of the United States Postal Service of Filing Modification Two to the Hongkong Post – United States Postal Service Bilateral Agreement, February 11, 2015 (Notice), Attachment 1 (Modification Two).

Modification Two extends the expiration date of the Agreement by 90 days until June 30, 2015. Notice at 2. The Postal Service states that the proposed expiration date corresponds with the accounting practice of invoicing quarterly, rather than mid-quarter, for the Agreement. It also adds a requirement for the sending post to present routing receptacles to specified U.S. Offices of Exchange (OE) and revises the table in Annex 5 showing the first digit of the postal code and OE. *Id.*

The Commission finds that the extension will not affect the Agreement's ability to comply with 39 U.S.C. § 3622(c)(10) and 39 C.F.R. § 3010.40, *et seq.* Consequently, the Commission reaffirms its findings in Order Nos. 1981 and 2286 and approves Modification Two. The Agreement, as modified, is authorized to continue through June 30, 2015. Extending the Agreement is in the public interest and will not prejudice any person. In order to ensure transparency, any subsequent modifications to the Agreement extending beyond June 30, 2015, must be accompanied by an updated financial model showing that the original agreement, as modified, continues to cover costs.

It is ordered:

The Agreement, as modified, is authorized to continue through June 30, 2015. Any subsequent modifications to the Agreement extending beyond June 30, 2015, must be accompanied by an updated financial model showing that the original agreement, as modified, continues to cover costs.

By the Commission.

Shoshana M. Grove
Secretary